

CERTIFICATE

The undersigned Assistant Secretary of the Industrial Development Authority of York County, Virginia (the Authority) hereby certifies as follows:

1. A regular meeting of the Authority was duly called and held on May 2, 2001, at 7:00 o'clock p.m. in the Conference Room of the County Administrative Office Center, 224 Ballard Street, Yorktown, York County, Virginia, pursuant to proper notice given to each Director of the Authority prior to such meeting. The meeting was open to the public. The time of the meeting and the County office in which the meeting was held provided a reasonable opportunity for persons of differing views to appear and be heard. At such meeting each Director of the Authority was present or absent throughout as follows:

PRESENT:

Bradley E. Berrane
Alex G. Llorente
Kenneth C. Matthews
R. Anderson Moberg
A. Travis Quesenberry
Raymond W. Walsh

ABSENT:

Dennis A. Holbrook

2. The Chairman announced the commencement of a public hearing on the application of Peninsula Metropolitan YMCA (the Company) and that, pursuant to a resolution of the Authority, the Chairman of the Authority caused the publication of a notice at least 14 days prior to the hearing in the Daily Press, a newspaper having general circulation in York County (the Notice). A copy of the Notice has been filed with the minutes of the Authority and is attached hereto as Exhibit A.
3. The following individuals appeared and addressed the Authority:

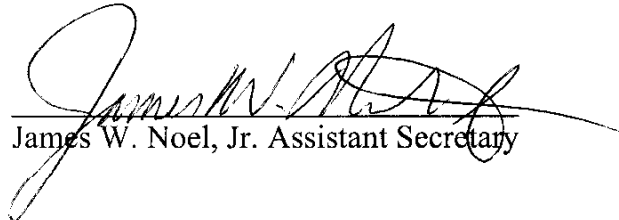
William Harrison
Tom Cavnevale
Dennis Pearce
Vernon Holloman

A summary of their statements is attached hereto as Exhibit B.

4. Attached hereto as Exhibit C is a true, correct and complete copy of a resolution (the Resolution) adopted at such meeting of the Authority by a majority of the Directors present at such meeting, with the ayes, nays and abstention being recorded in the minutes of such meeting as follows:

DIRECTOR	VOTE
Bradley Berrane	Nay
Dennis Holbrook	Absent
Alex Llorente	Aye
Kenneth Matthews	Aye
R. Anderson Moberg	Abstain
A. Travis Quesenberry	Aye
Raymond Walsh	Aye

The Resolution constitutes all formal action taken by the Authority at such meeting relating to matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.


James W. Noel, Jr. Assistant Secretary

(Exhibits A, B and C attached)

A-Copy of Certified Public Notice
B-Summaries of Statements
C-Resolution


EXHIBIT A

STATE OF VIRGINIA
CITY OF NEWPORT NEWS

This day personally appeared before the undersigned, a Notary Public in and for the State aforesaid, Ann Wilson, and made oath as follows:

1. She is the Controller for The Daily Press, a newspaper published in the City of Newport News, Virginia.
2. The attached advertisement was published for two (2) insertions in The Daily Press, commencing on

April 18, 2001, and ending on April 25, 2001.


ANN WILSON

Subscribed and sworn before me
This 2nd day of May, 2001.

My commission expires: January 31, 2004


Notary Public

NOTICE OF PUBLIC HEARING ON PROPOSED INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF POQUOSON, VIRGINIA (PENINSULA METROPOLITAN YMCA PROJECT) SERIES 2001

Notice is hereby given that the Industrial Development Authority of York County, Virginia (the "Authority") will hold a public hearing on the plan of finance of Peninsula Metropolitan YMCA, a Virginia nonprofit 501(c)(3) corporation, 1322 LaSalle Avenue, Hampton, Virginia, 23669 (the "Applicant"), regarding the issuance by the Industrial Development Authority of the City of Poquoson, pursuant to Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"), of up to \$10,000,000 of its Industrial Development Revenue Bonds to assist the Applicant in its plan of finance for the acquisition, construction, renovation and development of three family recreational facilities (collectively, the "Projects") to be located at 7827 Warwick Boulevard in the City of Newport News, Virginia; 1260 Hampton Highway in York County, Virginia; and 259 James Street, in the County of Isle of Wight, Virginia.

The public hearing which may be continued or

adjourned, will be held at 7:00 p.m. on May 2, 2001, before the Authority at the Authority's office in the Administration Building, Room 142, 224 Ballou Street, York County, Virginia. As required by the Act, the Bonds will not pledge the faith and credit or the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority, but will be payable solely from revenues derived from the Applicant and pledges therefor. Any person interested in the issuance of the Bonds or the location or purpose of the proposed Projects may appear and be heard. A copy of the Applicant's application is on file and is open for inspection at the Authority's office during business hours.

INDUSTRIAL DEVELOPMENT AUTHORITY OF YORK COUNTY, VIRGINIA

EXHIBIT B

The following is a summary of the statements made at the public hearing held on May 2, 2001, by the Industrial Development Authority of York County, Virginia for the Peninsula Metropolitan YMCA. York County.

Mr. James Noel, Director of the York County Office of Economic Development, explained that this Authority is authorizing the Industrial Development Authority of the City of Poquoson to issue bonds on behalf of the YMCA for work in York County and there are two other localities seeking assistance.

Mr. William Harrison with Willcox and Savage, bond counsel for the YMCA, stated that he was engaged by the Metropolitan YMCA in an effort to finance these projects through industrial revenue bonds. This is a request for approval of up to \$10 million in bonds, with approximately \$6,690,000 to be spent in York County for a new facility. After consultation with County staff, it was decided to reserve the County's bonding authority for other projects. At that point, they requested the City of Poquoson to issue the bonds. Because Poquoson is not a frequent issuer of bonds, they were amenable to issuing these. This will allow all of the banks in the region to be a participant. The Poquoson IDA did not have a quorum at their meeting to consider a resolution of intent, so this will be considered on May 17. By letter, Poquoson has asked that York County IDA continue with the process.

The application requests approval and recommendation to the York County Board of Supervisors for the portion of the project to be located in York County, which is a requirement by Federal tax laws. Since the projects are located in Newport News, York County and Isle of Wight, those governing bodies are required to grant their approval. All four elected bodies must approve this before the projects go forward.

Mr. Harrison reported that the York County project is located at 1200 Hampton Highway and introduced Mr. Tom Carnevale, the associate director of the YMCA.

Mr. Tom Carnevale explained Mr. Carroll's absence. He advised that Rancorn and Wildman is the architect and W. M. Jordan is the general contractor. The building will be 45,926 square feet, with an eight-lane swimming pool, a gymnasium, wellness center, handball and racquetball courts, climbing wall, and five different locker rooms. On the weekends, it will be closed and open for teen activities on Friday and Saturday night. The YMCA is a 501 (c) 3 non-profit organization, is open to the public and does not discriminate because of financial reasons.

Mr. James Elliott, IDA Counsel, indicated that the York County IDA had the first opportunity to do the bonds but it appears that the County may want to do other bonds and not go over its \$10 million annual limit, therefore it was decided to let Poquoson do these bonds. By voting for this resolution, the IDA will be allowing the Poquoson IDA to issue the bonds.

Mr. Dennis Pearce, 926 Yorktown Road, explained that he is with the former York County Athletic Club and once had a proposal for a recreational facility in York County and currently has one for the City of Poquoson. He felt that some of the information on this issue has been confusing regarding the amount of the issue and why York County is not issuing the bonds. He expressed concern regarding Poquoson exhausting all of their bonds for this year. He does not think the City of Poquoson should be helping the YMCA, as they may need funding for projects in Poquoson.

Mr. Vernon Holloman, 4900 George Washington Memorial Highway, the owner and operator of Holloman Child Development and Education Center in York County, as well as other facilities on the Peninsula, stated that he also represents the Propriety Childcare Association of Virginia and the International Racket Sports Association. He addressed an issue before the General Assembly on a study of non-profit organizations and their effects on state revenues and the tax revenue from private organizations. He expressed concern that the YMCA will not be paying taxes and the County agreeing to fund \$2 million over a ten-year period. The YMCA is exempt from corporate taxes. The YMCA does two things one is childcare and the other health care. He was concerned regarding the amount of money the state is losing through non-profit organizations like the YMCA. He expressed that he could not compete with a non-profit entity.

Mr. Harrison, Willcox and Savage, stated that he did not dispute any arguments made regarding the benefits to a 501(c) 3 entity. This Authority has been given the power to issue bonds for this type of facility. It is up to the General Assembly to correct this, but this has not occurred and everything before this Authority is in accordance with the State Bond Act.

Mr. Alex Llorente, a member of the IDA, asked Mr. Elliott if the IDA approves this resolution, is it still up to Poquoson to approve this issue and Mr. Elliott responded yes. This IDA only makes a recommendation to the York County Board of Supervisors. Once the York County Board of Supervisors approves, it is still up to the Poquoson IDA to issue the bonds if they desire.

Mr. Harrison added that if the York County Board of Supervisors votes no, it would only stop the bond issue for work in York County and not Newport News and Isle of Wight.

Mr. Llorente asked Mr. Holloman if his message to the IDA was that if this was approved, it would put him out of business? Mr. Holloman responded that it has already put some people out of business.

Mr. Llorente stated that he understood Mr. Holloman's concern to protect his industry, but his questions is if by approving this resolution will it put these businesses out of business.

Mr. Holloman responded that it would take them one step closer. The YMCA on the Peninsula has a limited reach. If they are going to concentrate their efforts on poor, downtrodden people who cannot pay for his services, there is no argument. Their doors are open to the general public. The people that use the YMCA can afford to use private services, but they use the YMCA to save a few dollars.

Mr. Carnevale of the YMCA stated that in the contract with York County they cannot run any childcare program in the facility and will not be competing with Mr. Holloman in York County.

A question was raised if they would be running any day camps. Mr. Carnevale stated that they would not be running any day camps. State licensed childcare programs cannot be run at that facility. Mr. Pearce stated that day camps circumvent the day care portion. Mr. Carnevale stated that it says state licensed day care, which is under the umbrella. Mr. Pearce asked if they were running a day camp. Mr. Carnevale stated that on the premises that is correct and they do not expect to be doing any of that.

Mr. Pearce stated that some of the information is misleading if not incomplete. In the one advertisement it states that the bond issue is strictly for a project located on Route 134 and they have come into a \$10 million windfall as \$6 million is allotted and the money they raise will go to other facilities. This is the way he sees it as a businessperson and a taxpayer. Poquoson is prepared now to exhaust their entire bond issuing power for the year for a facility that is not in their municipality. Poquoson is going to help them build this and its citizens will be going to the YMCA. At the same time, the information he is getting is that York County's bonds were exhausted and now he is hearing something different. He stated he wants clear information.

Mr. Moberg stated that in the State of Virginia every child is given the right to go to public schools, but private schools exist all over the state, and asked if that wasn't somewhat the same as you have private and public sector. What he finds is that even though something will be offered publicly, there is still demand privately.

Mr. Holloman answered that most of the private schools are not subsidized by the government and are self-supporting and are funded from tuition dollars. He stated he feels the two can exist side by side. The YMCA holds itself as a charitable organization yet when you look at some of their national documents you see only a small portion of their gross revenue going into charitable activities.

Mr. Pearce stated that this is a national issue and there are four states that have revoked their non-profit status and made them pay back taxes.

The Chairman closed the public hearing.

EXHIBIT C

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF YORK COUNTY, VIRGINIA
YORKTOWN, VIRGINIA**

At a regular meeting of the Industrial Development Authority of York County, Virginia, held in the County Administrator's Conference Room, County Administrative Office Center, 224 Ballard Street, Yorktown, Virginia, on the 2nd day of May, 2001:

<u>Present</u>	<u>Vote</u>
Bradley Berrane	Nay
Dennis A. Holbrook	Absent
Alex G. Llorente	Aye
Kenneth C. Matthews	Aye
R. Anderson Moberg	Abstain
A. Travis Qucsenberry	Aye
Raymond W. Walsh	Aye

On motion of Mr. Llorente, which carried 4:1:1, the following resolution was adopted:

**A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
YORK COUNTY, VIRGINIA TO RECOMMEND THAT THE BOARD OF
SUPERVISORS OF YORK COUNTY, VIRGINIA APPROVE THE ISSUANCE
OF INDUSTRIAL DEVELOPMENT REVENUE BONDS BY THE INDUSTRIAL
DEVELOPMENT AUTHORITY FOR THE CITY OF POQUOSON ON BEHALF
OF THE PENINSULA METROPOLITAN YMCA TO ASSIST IN THE
FINANCING OF A RECREATIONAL FACILITY TO BE LOCATED AT 1200
HAMPTON HIGHWAY IN YORK COUNTY, VIRGINIA. (PENINSULA
METROPOLITAN YMCA PROJECT)**

WHEREAS, there has been presented to the Industrial Development Authority of the City of Poquoson (the "Issuer") by and on behalf of Peninsula Metropolitan YMCA, a Virginia non-profit 501(c)(3) corporation (the "Borrower"), its plan of finance for the acquisition, construction, renovation and development of three family recreational facilities (collectively, the "Projects") to be located at 7827 Warwick Boulevard in the City of Newport News, Virginia; 1200 Hampton Highway in York County, Virginia (the "York County Project"); and 259 James Street, in the County of Isle of Wight, Virginia; and

WHEREAS, the Borrower has described to the Issuer the benefits which the York County Project will bring to York County, Virginia, and its environs through the promotion of the safety, health, welfare, convenience or prosperity, and has requested the Issuer to agree to issue its industrial development revenue bonds pursuant to Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended) (the "Act") in a principal amount not to exceed \$10,000,000 (the "Bonds"); and

WHEREAS, the Industrial Development Authority of York County (the "Authority") has considered the application of the Borrower to the Issuer for the issuance of the Issuer's Bonds to assist in the financing of the York County Project; and

WHEREAS, the Authority has caused a notice of public hearing to be published in a newspaper of general circulation in York County, Virginia, and has this date held a public hearing, all in accordance with the provisions of §147(f)(2) of the Internal Revenue Code of 1986, as amended, the Treasury regulations issued thereunder and §15.2-4906, Code of Virginia, 1950, as amended, and other applicable laws of the Commonwealth of Virginia.

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF YORK COUNTY:

1. After considering the Borrower's application to the Issuer for industrial development revenue bond financing in a public hearing pursuant to proper notice, all as provided in §147(f)(2) of the Internal Revenue Code of 1986, as amended, the Treasury regulations issued thereunder and the applicable laws of the Commonwealth of Virginia, the Authority hereby finds and determines that the issuance of the Bonds by the Issuer to provide financing of a portion of the cost of acquisition, construction, renovation and development of the Projects by the Borrower will be of benefit to York County, Virginia, and will be consistent with the general purposes of the Authority and the Act.

2. The Authority hereby recommends that the Board of Supervisors of York County, Virginia approve the issuance of the Bonds by the Issuer and directs the Chairman of the Authority to transmit the Fiscal Impact Statement and a copy of this resolution to the Board of Supervisors of York County.

3. The proper representative of the Authority is hereby authorized and directed to transmit this recommendation to the members of the Board of Supervisors of York County, Virginia, at its next regular or special meeting at which this matter can be properly placed on the Board's agenda for hearing.

Adopted this 2nd day of May, 2001.

INDUSTRIAL DEVELOPMENT AUTHORITY OF
YORK COUNTY

By: _____
Assistant Secretary